

BOCs have delayed a draft ANSI standard for IN which could give meaning to the high-level plan developed by IILC. Indeed, having delayed the ANSI work, the BOCs hypocritically point to the absence of ANSI standards as a reason why the IILC plan cannot be implemented.

17. The bottom line is that there is no final standard for intelligent networks despite years of work. The absence of standards is critical because the AIN architecture deployed by the BOCs was designed by Bellcore as a "closed" system for the use and benefit of the BOCs. The architecture does not lend itself to interworking with competitors' SCPs and databases, in that way shutting out fair competition by CLECs in the local service marketplace. With the lure of long-distance entry before them, the BOCs may finally come around to finalizing IN standards. Without that incentive, and with the contrary incentive to favor their long-distance affiliates, the BOCs will revert to their time-honored tactics of preventing standards from being developed and implemented.

THE BOCS CONTINUE TO MANIPULATE THE STANDARDS AND GENERIC REQUIREMENTS PROCESS TO DELAY MEANINGFUL COMPETITION.

18. In order for competition to gain a foothold in the local market, it is important that the incumbent LECs provide industry agreed open standard interfaces for unbundling, interconnection, number portability, and OSS. Thus far, it has been the practice of the BOCs to define industry requirements via Bellcore's generic requirements process, which cannot meaningfully be influenced by the competitors of the BOCs. The BOCs, as well as Bellcore (which will continue to derive most of its revenue from the BOCs), play a major role in shaping the telecommunication standards and industry requirements in their favor. Behind the facade of the open and public process of standards setting, Bellcore at the behest of the BOCs routinely

drives BOCs' network requirements in standards bodies. These requirements are developed by Bellcore for the BOCs' networks. The input provided by the competing entities, e.g., CLECs and IXC's, is either ignored or diluted to be of little effect. BOCs and Bellcore have dominated standards bodies since divestiture, and continue to do so even now.

19. Recently, for example, a dispute arose over the use of "Query on Release" (QoR) as a means of implementing Local Number Portability (LNP). Several CLECs and IXC's had argued against QoR as a solution for LNP because it subjects calls to ported numbers to more delay than calls to numbers that have not been ported, thus resulting in discrimination against competitors. Other disadvantages of QoR have been highlighted in various industry submissions and contributions. This Commission has also ruled against QoR as a solution for LNP. Despite all of this opposition, and without waiting for the issue to be reviewed in industry standards fora, the BOCs funded Bellcore to invest its efforts in the development of LNP Generic Requirements (GRs) that included QoR. The BOCs have paid Bellcore to continue to include QoR in its GRs for LNP even subsequent to the Commission's contrary ruling, which has just been affirmed on reconsideration.⁵

20. Not only can BOCs and Bellcore push their own agenda in the standards bodies as evident from the above example, they can also block their competitors from developing standards which are valuable to them. For example, the BOCs took an unimaginable length of time in developing industry requirements for SS7 Carrier Identification Parameter (CIP), which is a cost saving capability for MCI's network. With CIP, MCI can sort traffic for billing

⁵ In re: Telephone Number Portability, First Memorandum and Order on Reconsideration, ¶47 (CC Docket No. 95-116, March 11, 1997).

purposes without having to buy additional trunks from the BOCs. It was, of course, in the BOCs' interest to maximize the number of trunks they sold to IXCs, regardless of overall network efficiency, so they delayed the implementation of CIP as long as they could. The standard for CIP had been agreed to in the late 80s, but BOCs and Bellcore did not publish industry GRs for several years, successfully delaying implementation of CIP.

21. MCI's CIP delivery example is a model case of BOC obstructionism because it demonstrates how the BOCs can direct the outcome that they desire through their ability to control outcomes in standards committees and the forums, by controlling Bellcore's requirements, and by controlling when and whether a solution will be implemented. After over seven years of persistent effort to obtain CIP delivery, and despite Bellcore's claim that the approach of using a new SS7 parameter was simpler, the uniform and ubiquitous delivery of CIP is still uncertain.

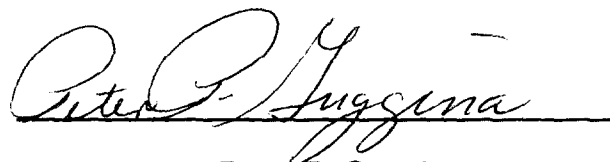
22. These are just some examples of how BOCs can manipulate standards and industry requirements processes in their favor. As the history suggests, BOCs will continue to abuse their power, either directly or through Bellcore, to leverage standards and industry requirements in their favor and to the disadvantage of competitors. It will be difficult to monitor such abuses as the requirements become more complex due to unbundling and interconnection, and as competitors struggle to compete in the local markets. If allowed entry into the long distance market under the existing circumstances, BOCs' control over industry requirements processes will clearly provide them another weapon to favor their long distance affiliates over the competing CLECs and IXCs for the provision of exchange access services and network capabilities.

CONCLUSION

23. The BOCs maintain a significant control over the standards setting process and rely on the GRs to manipulate what they do not achieve through, or desire to leave out of, the standards. The interrelationship between the standards, generic requirements, industry forums, technical development, and implementation processes provide the BOCs ample opportunities to delay or manipulate the provision of critical capabilities needed for competition. Allowing BOCs to provide long-distance service before local competition has developed would remove what little incentive BOCs now have to cooperate in the standards process. Absent established standards, BOCs will readily be able to favor their interexchange affiliates, at the expense of competitors, for critical services such as AIN and the intelligent network family of services.

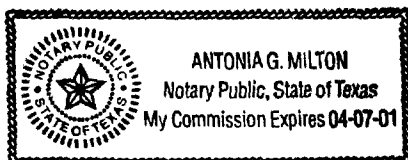
I hereby swear, under penalty of perjury, that the foregoing is true and correct, to the best of my knowledge and belief.


Further Affiant saith not.


Peter P. Guggina

Subscribed and sworn to me before this

3rd day of June, 1997




Notary Public

My Commision expires 4-07-01